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MINISTRY OF LAW (Legislative Department)

New Delhi, the 19th September, 1959/Bhadra 28, 1881 (Saka)

The following Acts of Parliament received the assent of the President on the 18th September, 1959, and are hereby published for general information:—

THE PUBLIC DEBT (AMENDMENT) ACT, 1959

No. 44 OF 1959

[18th September, 1959]

An Act further to amend the Public Debt Act, 1944.

BE it enacted by Parliament in the Tenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Public Debt (Amendment) Act, 1959.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. After section 9 of the Public Debt Act, 1944 (hereinafter referred to as the principal Act), the following sections shall be inserted, namely:—

Insertion of new sections 9A, 9B and 9C in Act 18 of 1944.

“9A. Notwithstanding anything contained in section 1A, the provisions of sections 9B and 9C and the power to make rules in relation to any of the matters referred to in sections 9B and 9C

Application of sections 9B, 9C, etc

shall apply only to such classes of Government securities created and issued by the Central Government, whether before or after the commencement of the Public Debt (Amendment) Act, 1959, as that Government may, by notification in the Official Gazette, specify, and in relation to such classes of securities the provisions of sections 7 and 9 shall have effect subject to the provisions contained in sections 9B and 9C.

Nominations
by holders of
Government
securities.

9B. (1) Notwithstanding anything contained in any law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of a Government security, where a nomination made in the prescribed manner purports to confer on any person the right to receive payment of the amount for the time being due on the security on the death of the holder thereof, the nominee shall, on the death of the holder of the security, become entitled to the security and to payment thereon to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees all the nominees predecease, the holder of the security making the nomination.

(3) A transfer of a Government security made in the prescribed manner shall automatically cancel a nomination previously made:

Provided that where a Government security is held by or on behalf of any person as a pledgee or by way of security for any purpose, such holding shall not have the effect of cancelling a nomination, but the right of the nominee shall be subject to the right of the person so holding it

(4) Where the nominee is a minor it shall be lawful for the holder of a security to appoint in the prescribed manner any person to receive the amount for the time being due on the security in the event of his death during the minority of the nominee, and, where any such appointment has been made, the Government security shall, after the death of the holder and during the minority of the nominee, be deemed to be vested in that person as representing the minor.

Payment on
death of
holder.

9C. (1) If a person dies and he is at the time of his death the holder of a Government security and there is in force at the time

of his death a nomination in favour of any person, the amount for the time being due on the security shall be paid to the nominee.

(2) Where the nominee is a minor, the amount for the time being due on the Government security shall be paid—

(a) in any case where a person has been appointed to receive it under sub-section (4) of section 9B, to that person; and

(b) where there is no such person, to the guardian of the minor for the use of the minor.

(3) Where the amount due for the time being on a Government security is payable to two or more nominees and either or any of them is dead, the title to the security shall vest in the survivor or survivors of those nominees and the amount for the time being due thereon shall be paid accordingly.

(4) Nothing contained in this section shall be deemed to require any person to accept payment of the amount due on a Government security before it has reached maturity or otherwise than in accordance with the terms of the security.

(5) Any payment made in accordance with the provisions of this section of the amount due for the time being on a Government security shall be a full discharge in respect of the security:

Provided that nothing contained in this section or in section 9B shall affect any right or claim which any person may have against the person to whom any payment is made under this section."

3. In section 28 of the principal Act, in sub-section (2), after clause (o), the following clauses shall be inserted, namely:—

Amendment
of section
28.

"(p) the form in which and the persons in whose favour nominations may be made under section 9B, the manner in which and the conditions and restrictions subject to which such nominations may be made, the registration, variation or cancellation of such nominations and the fees that may be levied for such registration, variation or cancellation;

(q) the manner in which any person may be appointed for the purposes of sub-section (4) of section 9B."

THE GOVERNMENT SAVINGS BANKS (AMENDMENT) ACT, 1959

No. 45 OF 1959

[18th September, 1959]

An Act further to amend the Government Savings Banks Act, 1873.

BE it enacted by Parliament in the Tenth Year of the Republic of India as follows:—

Short title. 1. This Act may be called the Government Savings Banks (Amendment) Act, 1959.

Amendment of section 3. 2. In section 3 of the Government Savings Banks Act, 1873 (hereinafter referred to as the principal Act), after the definition of "minor", the following definition shall be inserted, namely:—

“prescribed” means prescribed by rules made under this Act.”

Substitution of new sections for section 4. 3. For section 4 of the principal Act, the following sections shall be substituted, namely:—

Nomination by depositor.

“4. (1) Notwithstanding anything contained in any law for the time being in force, or in any disposition, whether testamentary or otherwise, by a depositor in respect of his deposit, where any nomination made in the prescribed manner purports to confer on any person the right to receive the deposit on the death of the depositor, the nominee shall, on the death of the depositor become entitled, to the exclusion of all other persons, to be paid the deposit, unless the nomination is varied or cancelled in the prescribed manner.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees, all the nominees predecease, the depositor

(3) Where the nominee is a minor it shall be lawful for the depositor to appoint in the prescribed manner any person to receive the deposit in the event of his death during the minority of the nominee.

Payment on death of depositor.

4A. (1) If a depositor dies and there is in force at the time of the death of the depositor a nomination in favour of any person, the deposit shall be paid to the nominee.

(2) Where the nominee is a minor, the deposit shall be paid—

(a) in any case where a person has been appointed to receive it under sub-section (3) of section 4, to that person; and

(b) where there is no such person, to the guardian of the minor for the use of the minor.

(3) Where a deposit is payable to two or more nominees and either or any of them is dead, the deposit shall be paid to the surviving nominee or nominees.

(4) If a depositor dies and there is no nomination in force at the time of his death and probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act, 1925, is not within three months of the death of the depositor produced to the Secretary of the Government Savings Bank in which the deposit is, then—

(a) if the deposit does not exceed five thousand rupees, the Secretary may pay the same to any person appearing to him to be entitled to receive it or to administer the estate of the deceased; and

(b) within the aforesaid limit of five thousand rupees, any officer employed in the management of a Government Savings Bank who is empowered in this behalf by a general or special order of the Central Government may, to the extent to which he is empowered by such order and subject to any general or special orders of the Secretary in this behalf, pay the deposit to any person appearing to him to be entitled to receive it or to administer the estate.

(5) Nothing contained in this section shall be deemed to require any person to accept payment of a deposit, which is a time deposit, before it has become due.”.

4. In section 5 of the principal Act,—

**Amendment
of section 5.**

(a) for the words “Such payment”, the words “Any payment made in accordance with the foregoing provisions of this Act” shall be substituted;

(b) the words and figures “or Act No. 26 of 1855” shall be omitted.

Amendment
of section 6

5. In section 6 of the principal Act,—

(a) for the words and figure “under section 4”, the words, brackets and figures “under sub-section (4) of section 4A” shall be substituted;

(b) for the words and figure “to whom he pays any money under section 4”, the words, brackets, and figures “to whom he pays any money under sub-section (4) of section 4A” shall be substituted.

Amendment
of section 7.

6. In section 7 of the principal Act, for the words and figure “under section 4”, the words, brackets and figures “under sub-section (4) of section 4A” shall be substituted.

Omission
of sections 9
and 11.

7. Sections 9 and 11 of the principal Act shall be omitted.

Amendment
of section
13.

8. In section 13 of the principal Act, for the words and figures “the Indian Succession Act, 1865, section 4”, the words and figures ^{10 of 1865.} “section 20 of the Indian Succession Act, 1925” shall be substituted ^{39 of 1925.}

Substitution
of new
sections for
section 14

9. For the heading “Rules” and for section 14 of the principal Act, the following heading and sections shall be substituted, namely:—

“MISCELLANEOUS

Protection of
action taken
in good
faith.

14. No suit or other legal proceeding shall lie against the Secretary or any other officer of the Government in respect of anything which is in good faith done or intended to be done under this Act.

Power to
make rules.

15. (1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the persons by whom and the terms and conditions subject to which deposits may be made in a Government Savings Bank;

(b) the maximum limits of deposits and the conditions as to interest or discount relating to deposits generally, or any class of deposits in particular;

(c) the non-accrual of interest on deposits when the maximum limits are exceeded and the recovery of any

interest paid in excess in the same manner as an arrear of land revenue or in any other manner;

(d) the persons to whom and the manner in which deposits may be paid;

(e) the form of nominations, the manner in which, the persons in whose favour and the conditions and restrictions subject to which, nominations may be made and the registration of nominations;

(f) the variation or cancellation of nominations;

(g) the fees that may be levied for registration of nominations and for variation or cancellation thereof;

(h) the manner in which any person may be appointed for the purpose of sub-section (3) of section 4.

(3) Every rule made under this section shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule."

THE GOVERNMENT SAVINGS CERTIFICATES ACT, 1959

No. 46 of 1959

[18th September, 1959]

An Act to make certain provisions in respect of Government Savings Certificates.

BE it enacted by Parliament in the Tenth Year of the Republic of India as follows:—

1. (1) This Act may be called the Government Savings Certificates Act, 1959.

Short title,
commence-
ment and
application.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

(3) It applies to such class of savings certificates as the Central Government may, by notification in the Official Gazette, specify in this behalf.

Definitions.

2. In this Act, unless the context otherwise requires,—

(a) "minor" means a person who is not deemed to have attained his majority under the Indian Majority Act, 1875; 9 of 1875.

(b) "prescribed" means prescribed by rules made under this Act;

(c) "savings certificate" means a savings certificate to which this Act applies;

(d) "transfer" means a transfer *inter vivos*, and, does not include a transfer by operation of law.

Restrictions on transfer of savings certificates.

3. Notwithstanding anything contained in any law for the time being in force, no transfer of a savings certificate, whether made before or after the commencement of this Act, shall be valid unless it has been made with the previous consent in writing of the prescribed authority.

Holdings by or on behalf of minors.

4. Notwithstanding any provision in any law for the time being in force,—

(a) a minor may apply for and hold savings certificates and any other person may apply for and hold savings certificates on behalf of a minor;

(b) where any savings certificate is held by or on behalf of a minor, the minor shall, whether the savings certificate was applied for and issued before or after the commencement of this Act, be bound by the provisions of this Act and of any rules made thereunder applicable to such savings certificate and by the terms of any declaration made by the applicant for the savings certificate in pursuance of the said rules.

Payment where certificate is held by or on behalf of a minor.

5. Payment of the sum for the time being due on a savings certificate held by or on behalf of a minor may be made—

(a) to him personally, if he himself applied for the savings certificate, or

(b) for the use of the minor, if the application for the savings certificate was made by any person other than the minor,—

(i) to any such person, being a parent of the minor or guardian of his property, as may be specified in that behalf in the form of application;

(ii) if no such person has been specified, to any guardian of the property of the minor appointed by a competent court, or where no such guardian has been so appointed, to either parent of the minor, or where neither parent is alive, to any other guardian of the minor.

6. (1) Notwithstanding anything contained in any law for the time being in force, or in any disposition, testamentary or otherwise in respect of any savings certificate, where a nomination made in the prescribed manner purports to confer on any person the right to receive payment of the sum for the time being due on the savings certificate on the death of the holder thereof and before the maturity of the certificate, or before the certificate having reached maturity has been discharged, the nominee shall, on the death of the holder of the savings certificate, become entitled to the savings certificate and to be paid the sum due thereon to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.

Nomination
by holders
of savings
certificate.

(2) Any nomination referred to in sub-section (1) shall become void if the nominee predeceases, or where there are two or more nominees all the nominees predecease, the holder of the savings certificate making the nomination.

(3) Where the nominee is a minor, it shall be lawful for the holder of the savings certificate making the nomination to appoint in the prescribed manner any person to receive the sum due thereon in the event of his death during the minority of the nominee.

(4) A transfer of a savings certificate made in the prescribed manner shall automatically cancel a nomination previously made:

Provided that where a savings certificate is held by or on behalf of any person as a pledgee or by way of security for any purpose, such holding shall not have the effect of cancelling a nomination but the right of the nominee shall be subject to the right of the person so holding it.

7. (1) If the holder of a savings certificate dies and there is in force at the time of his death a nomination in favour of any person, payment of the sum due thereon shall be made to the nominee.

Payment on
death of
holder.

(2) Where the nominee is a minor, payment of the sum due thereon shall be made—

(a) in any case where a person has been appointed to receive it under sub-section (3) of section 6, to that person, and

(b) where there is no such person, to any guardian of the property of the minor appointed by a competent court, or where no such guardian has been so appointed, to either parent of the minor, or where neither parent is alive, to any other guardian of the minor.

(3) Where the sum due on a savings certificate is payable to two or more nominees, and either or any of them dies, the sum shall be paid to the surviving nominee or nominees.

(4) If a person dies and is at the time of his death the holder of a savings certificate and there is no nomination in force at the time of his death and probate of his will or letters of administration of his estate or a succession certificate granted under the Indian Succession Act, 1925, is not within three months of the death of the holder produced to the prescribed authority, then, if the sum due on the savings certificate does not exceed five thousand rupees, the prescribed authority may pay the same to any person appearing to it to be entitled to receive the sum or to administer the estate of the deceased.

(5) Nothing contained in this section shall be deemed to require any person to receive payment of the sum due on a savings certificate before it has reached maturity or otherwise than in accordance with the terms of the savings certificate.

Payment to
be a full
discharge.

8. (1) Any payment made in accordance with the foregoing provisions of this Act to a minor or to his parent or guardian or to a nominee or to any other person shall be a full discharge from all further liability in respect of the sum so paid.

(2) Nothing in sub-section (1) shall be deemed to preclude any executor or administrator or other representative of a deceased holder of a savings certificate from recovering from the person receiving the same under section 7 the amount remaining in his hands after deducting the amount of all debts or other demands lawfully paid or discharged by him in due course of administration.

(3) Any creditor or claimant against the estate of a holder of a savings certificate may recover his debt or claim out of the sum paid under this Act to any person and remaining in his hands unadministered, in the same manner and to the same extent as if the latter had obtained letters of administration to the estate of the deceased.

Security for
due adminis-
tration.

9. The prescribed authority may take such security as it thinks necessary from any person to whom any money is paid under sub-section (4) of section 7 for the due administration of the money so paid and may assign the said security to any person interested in such administration.

Power to
administer
oath.

10. (1) For the purpose of ascertaining the right of a person claiming to be entitled to payment under sub-section (4) of section 7, the prescribed authority may take evidence on oath or affirmation according to the law for the time being in force relating to oaths and affirmations.

(2) Any person who upon such oath or affirmation makes any statement which is false and which he either knows or believes to be false or does not believe to be true shall be deemed guilty of an offence under section 193 of the Indian Penal Code.

45 of 1860.

11. No suit or other legal proceeding shall lie against any officer of the Government or any prescribed authority in respect of anything which is in good faith done or intended to be done under this Act.

Protection of action taken in good faith.

12. (1) The Central Government may, by notification in the Official Gazette, make rules to carry out the purposes of this Act.

Power to make rules.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for—

(a) the form of application for savings certificates and the issue and discharge of such certificates;

(b) the maximum limits of holdings;

(c) the conditions as to payment of interest or discount relating to any class of savings certificates and the recovery of any interest paid on any amount held in excess of the maximum limits in the same manner as an arrear of land revenue or in any other manner;

(d) the transfer and conversion of savings certificates and the fees to be levied in respect thereof;

(e) the replacement of savings certificates mutilated, lost or destroyed and the fees payable in respect thereof;

(f) the form of nominations, the manner in which and the conditions subject to which nominations may be made and the registration of nominations;

(g) the manner in which any person may be appointed for the purposes of sub-section (3) of section 6;

(h) the variation or cancellation of nominations and the registration of such variations or cancellations;

(i) the fees that may be levied for registration, variation or cancellation of nominations;

(j) any other matter which has to be, or may be, prescribed.

(3) Every rule made under this section shall be laid as soon as may be after it is made before each House of Parliament while it is in session for a total period of thirty days which may be comprised

in one session or in two successive sessions, and if before the expiry of the session in which it is so laid or the session immediately following, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be, so however that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

42 of 1944. 13. (1) The Post Office National Savings Certificates Ordinance, 1944, is hereby repealed. ^{Repeal and savings.}

(2) Notwithstanding the repeal of the said Ordinance, any rules made or deemed to have been made or anything done or any action taken in exercise of any of the powers conferred by or under the said Ordinance shall be deemed to have been made, done or taken in exercise of the powers conferred by or under this Act, as if this Act were in force on the day on which such rules were made, such thing was done or such action was taken.

G. R. RAJAGOPAUL, Secy.